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比亞迪股份有限公司
BYD Company Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1211)

**ENTERING INTO THE EQUITY TRANSFER AGREEMENT AND
INVESTMENT COOPERATION AGREEMENTS**

The Board is pleased to announce that on 24 July 2009, BYD Auto SZ, a wholly-owned subsidiary of the Company, signed the Equity Transfer Agreement as transferee with an Independent Third Party, namely Foshan Weishang as transferor, in relation to the proposed acquisition of the entire equity interests in Hunan Midea Coach, which is a company principally engaged in the development, manufacture and sale of bus and coach with its headquarters located in the Hunan Environmental Industrial Park of Changsha, the capital city of Hunan Province, at the proposed consideration of RMB60,000,000.

BYD Auto SZ, also entered into the Changsha Investment Cooperation Agreement on 25 July 2009 with the Management Committee of Hunan Environmental Industrial Park and the Changsha Economic Commission, pursuant to which the parties reached an agreement in respect of future investment and establishment by the Group of an automobile production base in the Hunan Environmental Industrial Park.

On 25 July 2009, BYD Auto, another subsidiary of the Company also entered into the Xi'an Investment Cooperation Agreement with the Management Committee of Xi'an Development Zone, pursuant to which the parties reached an agreement that, in addition to the existing automobile production plant of the Group in Xi'an Development Zone which is located in Xi'an, the capital city of Shaanxi Province, the Group proposes to expand its automobile manufacture business in Xi'an by means of developing and establishing an additional new production plant in the Xi'an Development Zone.

A. EQUITY TRANSFER AGREEMENT

Date: 24 July 2009

Parties to the agreement:

- (1) BYD Auto SZ, as transferee
- (2) Foshan Weishang, as transferor

Principal terms of the agreement:

Subject matter : Entire equity interests in Hunan Midea Coach, currently owned by Foshan Weishang.

Based on the information available to the Directors, Hunan Midea Coach is principally engaged in the development, manufacture and sale of bus and coach with its headquarters located in the Hunan Environmental Industrial Park.

Representations of transferor : (a) Foshan Weishang is the sole owner of the equity interests of Hunan Midea Coach which are free from Encumbrances; and

(b) None of the assets of Hunan Midea Coach can be disposed of prior to completion of the Acquisition without consent of BYD Auto SZ.

Consideration : RMB60,000,000, of which RMB57,000,000 will be payable by BYD Auto SZ within 15 days after the signing of the Equity Transfer Agreement. The parties will apply for the registration relating to the transfer with relevant Administration Bureau for Industry and Commerce in the PRC within 3 business days after payment of the initial consideration of RMB57,000,000. The remaining RMB3,000,000 will be payable within 15 days after completion of the aforesaid registration.

After completion of the Acquisition, the Company will own the entire equity interests in Hunan Midea Coach and the Group will possess necessary licenses granted by relevant PRC governmental authorities to manufacture bus and coach.

B. CHANGSHA INVESTMENT COOPERATION AGREEMENT

Date: 25 July 2009

Parties to the agreement:

- (1) BYD Auto SZ
- (2) the Management Committee of Hunan Environmental Industrial Park
- (3) the Changsha Economic Commission

Principal terms of the agreement:

- (1) The Group proposes to invest and establish a new automobile production base at the Hunan Environmental Industrial Park of Changsha, the capital city of Hunan Province to accommodate the planned annual output of approximately 400,000 units of automobiles and automobile components. It is expected that the production base in the Hunan Environmental Industrial Park will principally be engaged in manufacture of bus and coach, which are mainly of new energy models, as well as mini-coach and automobile components, and
- (2) In light of the Group's proposed investment, the Management Committee of Hunan Environmental Industrial Park and the Changsha Economic Commission agree to provide various kinds of support to the Group.

C. XI'AN INVESTMENT COOPERATION AGREEMENT

Date: 25 July 2009

Parties to the agreement:

- (1) BYD Auto
- (2) the Management Committee of Xi'an Development Zone

Principal terms of the agreement:

- (1) In addition to the existing automobile production plant of the Group in Xi'an Development Zone which is located in Xi'an, the capital city of Shaanxi Province, the Group proposes to expand its automobile manufacture business in

Xi'an by means of developing and establishing an additional new production plant in Xi'an Development Zone to accommodate the planned annual output of approximately 400,000 units of automobiles and automobile components. It is expected that the production plant in Xi'an Development Zone will principally be engaged in manufacture of F3 model and other new models automobile as well as automobile components; and

- (2) In light of the Group's proposed expansion of its automobile manufacture business in Xi'an, the capital city of Shaanxi Province, the Management Committee of Xi'an Development Zone agrees to provide various kinds of support to the Group.

D. REASONS FOR ENTERING INTO THE EQUITY TRANSFER AGREEMENT AND THE INVESTMENT COOPERATION AGREEMENTS

The Board believes that the Acquisition will enable the Group to develop its new business in manufacture and sale of bus and coach with a focus on new energy models. Through the Acquisition, the Group can acquire necessary licenses granted by relevant PRC governmental authorities in connection with manufacture of bus and coach in a cost-effective manner. Further, in view of the rapidly increasing demand for automobiles in the PRC, the Board considers that the entering into the Investment Cooperation Agreements offers excellent opportunities to the Group to further expand its production capacity of automobiles, thereby further enlarge the market share of the Group in automobiles market and increase its turnover.

Taking into account of the terms of the Equity Transfer Agreement, the Investment Cooperation Agreements and the transactions contemplated thereunder, it is believed that the entering into the Equity Transfer Agreement and the Investment Cooperation Agreements is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

E. GENERAL

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Foshan Weishang, the Management Committee of Hunan Environmental Industrial Park, the Changsha Economic Commission and the Management Committee of Xi'an Development Zone and, if applicable, their respective ultimate beneficial owners are Independent Third Parties.

Based on the information currently available to the Directors, the transactions contemplated under the Equity Transfer Agreement and the Investment Cooperation Agreements do not constitute a notifiable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the proposed acquisition of the entire interests in Hunan Midea Coach as contemplated under the Equity Transfer Agreement
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“BYD Auto”	BYD Auto Company Limited (比亞迪汽車有限公司), a subsidiary of the Company incorporated in the PRC
“BYD Auto SZ”	Shenzhen BYD Auto Company Limited (深圳市比亞迪汽車有限公司), a wholly-owned subsidiary of the Company incorporated in the PRC
“Changsha Economic Commission”	Changsha Municipal Economic Commission (長沙市經濟委員會)
“Changsha Investment Cooperation Agreement”	the investment cooperation agreement dated 25 July 2009 entered into between BYD Auto SZ, the Management Committee of Hunan Environmental Industrial Park and the Changsha Economic Commission
“Company”	BYD Company Limited, a company incorporated in the PRC and the H shares of which are listed on the Hong Kong Stock Exchange
“Directors”	the directors of the Company
“Encumbrances”	rights of pre-emption, options, liens, claims, equities, charges, mortgages, pledges, third-party rights or interests of any nature
“Equity Transfer Agreement”	the equity transfer agreement and its supplemental agreement both dated 24 July 2009 entered into between BYD Auto SZ and Foshan Weishang

“Foshan Weishang”	Foshan Weishang Technology Development Group Limited (佛山市威尚科技產業發展集團有限公司)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hunan Environmental Industrial Park”	Hunan Environmental Science and Technology Industrial Park (湖南環保科技產業園) of Changsha, Hunan Province
“Hunan Midea Coach”	Hunan Midea Coach Manufacturing Co., Ltd (湖南美的客車製造有限公司)
“Independent Third Party(ies)”	parties who are independent of and not connected with the directors, chief executive and substantial shareholders of the Company, its subsidiaries or any of their respective associates
“Investment Cooperation Agreements”	the Changsha Investment Cooperation Agreement and the Xi’an Investment Cooperation Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Management Committee of Hunan Environmental Industrial Park”	the Management Committee of Hunan Environmental Science and Technology Industrial Park (湖南環保科技產業園管理委員會)
“Management Committee of Xi’an Development Zone”	the Management Committee of Xi’an High-Tech Industries Development Zone (西安高新技術產業開發區管理委員會)
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, Hong Kong, Macau Special Administrative Region, and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of shares of the Company

“Xi’an Development Zone”

Xi’an High-Tech Industries Development Zone (西安高新技術產業開發區)

“Xi’an Investment Cooperation Agreement”

the investment cooperation agreement and its supplemental agreement both dated 25 July 2009 entered into between BYD Auto and the Management Committee of Xi’an Development Zone

By order of the Board
BYD Company Limited
Wang Chuan-fu
Chairman

Hong Kong, 26 July 2009

As at the date of this announcement, the executive director of the Company is Wang Chuan-fu; the non-executive directors of the Company are Lu Xiang-yang and Xia Zuo-quan; and the independent non-executive directors of the Company are Li Dong, Lin You-ren and Wu Chang-qi.